

Growthpoint student accommodation REIT thrives, adding R1.5bn of assets in 2 years

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Two years since launching, Growthpoint Student Accommodation REIT has introduced R1.5bn in new investment to this alternative property sector, added 4,000 new beds for students and created a strong pipeline of future developments. Its demonstrated execution has expanded its portfolio value to approximately R3.5bn, representing 12 residences with 9,000 beds in three South African cities – Cape Town, Johannesburg, and Pretoria. With two new developments in the ground, it expects to increase its beds to 10,400 for the 2025 academic year.



Amogelang Mocumi, fund manager of Growthpoint Student Accommodation Holdings

"We are pleased to report that our portfolio occupancy is 98% for the 2024 academic year, exceeding that of 2023," reports Amogelang Mocumi, Fund Manager of Growthpoint Student Accommodation REIT. "Our new purpose-built properties, developed by Growthpoint Properties and Feenstra Group, are proving particularly popular, attracting the highest demand and occupancy."

Growthpoint Student Accommodation REIT was launched in December 2021 by Growthpoint Investment Partners, the co-investment business of SA REIT Growthpoint Properties (JSE: GRT). It invests in purpose-built student accommodation located and designed around students to help them succeed and make the most of their university experience.

Two new properties opened in the portfolio, branded Thrive Student Living, for the 2024 academic year, and both have been enthusiastically welcomed by the market. Horizon Heights in Johannesburg is 99% occupied for its first year of housing students, proving popular with those from the nearby University of Johannesburg as well as the University of the Witwatersrand. Fountains View in Pretoria is 98% full, primarily let to students from Sefako Makgatho Health Science University (SMU) and the University of Pretoria's Groenkloof campus.

“Our high occupancy levels demonstrate strong demand and the commercial success of our purpose-built student accommodation model, which is supported by quality development and the Thrive Student Living brand, which resonates with our target market,” says Mocumi.



Continuing its growth, Growthpoint Student Accommodation Holdings has two new properties under development for the 2025 academic year: a R300m 900-bed property located in Braamfontein and a R200m 500-bed located in Parktown, both targeting Wits University students.

It is also planning a development near the University of KwaZulu-Natal's Howard College Campus in Durban for the 2026 or 2027 academic year intake.

These new developments boost job and economic opportunities, making Growthpoint Student Accommodation REIT a compelling proposition for impact investors to participate in this alternative asset class that has strong fundamentals and proven resilience, together with the long-term positive socioeconomic impacts of education support.

Even with the extensive processes and time required for institutional investors to allocate capital to new investments, Growthpoint Student Accommodation REIT continues to attract serious interest from large investors. *“Investors remain positive about purpose-built student accommodation, even while they have short-term reservations about the commercial real estate asset class as a whole,”* reports Mocumi.



Growthpoint Student Accommodation REIT aims for total returns of 13% to 16% in the long term. Its target is to grow the portfolio to R12bn worth of assets and achieve a stock exchange listing within the next seven years.

Fashioning vibrant campus communities aligns with many investors' environmental, social and governance (ESG) goals. Each building added to the Thrive Student Living portfolio is unique in its architecture and design to reflect and foster its specific community. They all have the advantage of being purpose-built and operated and benefit from Growthpoint's recognised green building leadership, creating healthy, sustainable environments and operating with a social consciousness that adds value to communities.

Thrive Student Living accommodation provides amenities like study areas and games rooms, backup power and water, as well as its Student Life programme which offers 24/7 support to students for academic performance, physical health, and mental wellness. It gives parents and bursary providers peace of mind, knowing that students are in the best possible environment.

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